

CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

J. J. NEWBERRY CO.
NEW YORK

ANNUAL REPORT

DECEMBER 31, 1938

ASSETS

CURRENT ASSETS:

Cash in Banks, on Hand and in Transit	\$ 4,774,994.00
Miscellaneous Notes and Accounts Receivable (less Reserve \$4,064.42)	28,718.91
Merchandise—at the lower of cost or market (determined by responsible officials on the basis of physical inventories)	6,343,237.33
Total Current Assets	11,146,950.24
Notes Receivable of Employees (capital stock of the Company held as collateral)	5,941.72
Miscellaneous Investments and Advances — at cost	21,505.98

PROPERTY AND EQUIPMENT:

Land, Buildings and Improvements at or below cost	\$8,286,004.67
Less Reserve for Depreciation	584,100.47
	7,701,904.20
Furniture and Fixtures—at cost	\$ 9,166,835.79
Less Reserve for Depreciation	3,300,314.30
	5,866,521.49
Alterations and Improvements to Leased Premises — at or below cost	4,096,986.28
Less Reserve for Amortization	1,279,476.29
	2,817,509.99
	16,385,935.68

PREPAID EXPENSES AND DEFERRED CHARGES:

Unexpired Insurance, Supplies, Prepaid Rents, Taxes, etc.	338,437.52
Deferred Charges	54,386.85
	392,824.37
	\$27,953,157.99

The Board of Directors,

J. J. NEWBERRY CO., New York, N. Y.

We have made an examination of the Consolidated Balance Sheet as of December 31, 1938, and of the Consolidated Profit and Loss and Cash Accounts examined or tested accounting records of the companies and other documents furnished to us by officers and employees of the companies; we also made a general examination of the income accounts for the year, but we did not make a detailed audit of the same.

In our opinion, based upon such examination, the accompanying Consolidated Profit and Loss and Surplus Accounts fairly present, in accordance with the accounting principles applied by the companies during the year under review, their consolidated financial position for the year.

New York, N. Y., February 21, 1939.

RECORD OF SALES AND EARNINGS

Year	Number of Stores	Sales	Earnings per share on Common Stock Outstanding
1912	1	\$32,382.71	N
1913	2	42,183.99	O
1914	3	92,640.38	T
1915	5	116,009.19	I
1916	5	151,464.52	N
1917	6	149,465.64	C
1918	7	276,449.11	O
1919	17	502,445.43	R
1920	17	751,984.16	P
1921	26	1,157,233.90	O
1922	33	1,750,066.32	R
1923	51	3,564,946.51	A
1924	68	5,114,338.79	T
1925	86	6,897,413.59	E
1926	112	9,985,073.71	D
1927	151	15,069,158.69	\$4.68
1928	210	20,609,366.02	6.42
1929	279	27,789,369.40	8.28
1930	335	30,187,391.73	*3.06
1931	379	31,146,802.06	3.65
1932	406	33,121,669.83	4.62
1933	417	35,146,574.03	‡3.15
1934	431	41,054,217.93	2.22
1935	450	43,388,611.37	1.73
1936	461	48,376,510.11	1.07
1937	469	50,315,453.78	3.06
1938	476	49,040,697.13	5.38
			4.94
			6.03
			5.27
			4.04

* 300% Stock Dividend issued September 1st, 1926.

‡ 50% Stock Dividend and Rights to subscribe to 10% of holdings issued May 1st, 1929.

Consolidated Profit and Loss Account For the Year ended December 31, 1938

Sales		\$49,040,697.13
Cost of merchandise sold and operating expenses, including general and administrative expenses, and after deducting income from rentals.....		45,690,762.60
		<u>3,349,934.53</u>
Deduct:		
Interest on Long Term Notes.....	\$ 82,416.67	
Interest on Mortgages and Other Interest	151,704.58	
Provision for Depreciation and Amortization	729,770.26	
Losses (net) arising from demolition or sale of land and buildings and cost of cancellation of store lease	140,257.39	
Other Charges (net)	<u>5,404.82</u>	1,109,553.72
		2,240,380.81
Provision for Federal Income Tax.....		<u>379,067.75</u>
		1,861,313.06
Dividends on preferred stocks of J. J. Newberry Realty Co. in hands of the public		68,571.26
Net Income for the Year ended December 31, 1938		<u><u>\$ 1,792,741.80</u></u>

CONSOLIDATED SURPLUS ACCOUNT

Balance as at December 31, 1937		\$ 8,268,101.64
Net Income for the Year ended December 31, 1938		1,792,741.80
		<u>10,060,843.44</u>
Deduct:		
Balance of certain store improvements unamortized at December 31, 1938 and building and portion of land costs written off.....	\$278,653.27	
Adjustments of Federal Income Tax and sundry items applicable to prior years—net	<u>20,249.83</u>	298,903.10
		<u>9,761,940.34</u>
Dividends:		
5% Preferred Stock, Series A.....	254,930.00	
Common Stock—\$2.10 per share	<u>798,936.60</u>	1,053,866.60
Balance as at December 31, 1938 (including \$16,024.89 Paid-in Surplus).....		<u><u>\$8,708,073.74</u></u>

J. J. NEWBERRY CO.

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet As At December 31, 1938

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable, Bonuses, Accrued Interest, Etc.		\$ 1,757,664.18
Provision for Federal Income and Capital Stock Taxes		444,093.45
3% Serial Notes—instalments payable December 31, 1939		200,000.00
Total Current Liabilities		<u>2,401,757.63</u>
Mortgages Payable on Real Estate:		
Demand	\$ 96,106.09	
Term	2,690,725.51	
(\$150,000.00 estimated to be paid on Mortgages in 1939)		2,786,831.60
Five Year 3¾% Notes due May 1, 1940		1,000,000.00
3% Serial Notes—payable \$200,000.00 annually commencing December 31, 1939	2,000,000.00	
Less Instalments payable December 31, 1939 classified as current liabilities	200,000.00	
		<u>1,800,000.00</u>
Reserve for Self-Insurance (Fire Loss)		181,257.28
Minority Interest in J. J. Newberry Realty Co.:		
Capital Stock:		
6½% Cumulative Preferred, Series A—10,000 shares of \$100.00 each, less 14 shares in Treasury	998,600.00	
6% Cumulative Preferred, Series B—610 shares of \$100.00 each	61,000.00	
	1,059,600.00	
Accrued Dividends thereon (due February 1, 1939)	11,428.16	
		<u>1,071,028.16</u>

CAPITAL STOCK AND SURPLUS:

5% Preferred, Series A—Par Value \$100.00 per share:		
Authorized, 75,000 shares.		
Issued, 50,986 shares	5,098,600.00	
Common, No Par Value:		
Authorized, 800,000 shares.		
Issued, 395,314 shares	5,208,571.89	
Earned Surplus	8,692,048.85	
Paid-in Surplus	16,024.89	
	19,015,245.63	
Less Cost of 14,868 shares of Common Stock in Treasury	302,962.31	
		<u>18,712,283.32</u>
		<u>\$27,953,157.99</u>

Balance Sheet of J. J. Newberry Co. and Subsidiary Companies as at December 31, 1938. In connection therewith, we have examined the supporting evidence and obtained information and explanations of the accounting methods and of the operating and financial transactions.

Our opinion is that the Consolidated Balance Sheet and related Consolidated Statement of Income with accepted principles of accounting consistently maintained position at December 31, 1938, and the results of their operations

PEAT, MARWICK, MITCHELL & CO.

OFFICERS

C. T. NEWBERRY.....	<i>Chairman of the Board</i>
J. J. NEWBERRY.....	<i>President</i>
E. A. NEWBERRY.....	<i>Vice-Pres. and Treas.</i>
J. L. BOUGHNER.....	<i>Vice-President</i>
T. H. HOCHSTRASSER.....	<i>Vice-President</i>
W. C. SCHULZ.....	<i>Secy. and Asst. Treas.</i>
J. H. EWEN.....	<i>Asst. Secy. and Asst. Treas.</i>

DIRECTORS

C. T. NEWBERRY	J. J. NEWBERRY	E. A. NEWBERRY
J. L. BOUGHNER	T. H. HOCHSTRASSER	C. V. PALLISTER
W. C. SCHULZ	F. R. SMITH	J. H. EWEN
		WALTER WILLIAMS
